GOVERNMENT OF INDIA
AGRICULTURE AND FARMERS WELFARE
LOK SABHA

STARRED QUESTION NO:278
ANSWERED ON:21.03.2017
Remunerative Prices for Agricultural Produce
Rajesh Shri M. B.;Teacher Smt. P.K.Sreemathi

Will the Minister of AGRICULTURE AND FARMERS WELFARE be pleased to state:

(a) whether it has come to the notice of the Government that the farmers were forced to sell their agricultural commodities at very low price;

(b) if so, the details thereof along with the steps taken by the Government to control crashing prices of certain agricultural commodities and save the farmers from the distress sale of their produce;

(c) whether the Government has increased the Minimum Support Price (MSP) for agricultural commodities to ensure remunerative prices to the farmers during the current year; and

(d) if so, the details thereof, commodity-wise along with the details of agricultural commodities which are covered under the Minimum Support Price (MSP)?

Answer

MINISTER OF AGRICULTURE AND FARMERS WELFARE
???? ??? ????? ?????? Â½Ã£Ã¢Â¨Ã£Ã£Ã¨ (SHRI RADHA MOHAN SINGH)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 278 DUE FOR REPLY ON 21ST MARCH, 2017.
(a) to (d): Government fixes Minimum Support Prices (MSPs) for twenty three (23) major crops on the recommendations of the Commission for Agricultural Costs and Prices (CACP) after considering the views of the State Governments and concerned Central Ministries/Departments. Twenty two crops covered under MSP are Paddy, Jowar, Bajra, Maize, Ragi, Arhar, Moong, Urad, Groundnut-in-shell, Soyabean, Sunflower, Sesamum, Nigerseed, Cotton, Wheat, Barley, Gram, Masur (Lentil), Rapeseed/Mustardseed, Safflower, Jute and Copra, and Fair and Remunerative Price (FRP) for Sugarcane.

In addition, MSP for Toria and De-Husked coconut is fixed on the basis of MSPs of Rapeseed/Mustardseed and Copra respectively. The MSPs fixed by Government for 2015-16 and 2016-17 are given at Annexure.

The Government offers to procure the agricultural produce at MSP. However, farmers are free to sell their produce to Government procurement agencies at MSP or in the open market as is advantageous to them. During 2016-17, Government has procured 31.32 million tonnes of rice, 22.93 million tonnes of wheat and 1.03 million tonnes of pulses (as on 15.03.2017) at MSP.

In addition, Government implements Market Intervention Scheme (MIS) for procurement of agricultural and horticultural commodities not covered under the Minimum Support Price on the request of State/UT Government. The MIS is implemented in order to protect the growers of these commodities from making distress sale in the event of bumper crop when the prices tend to fall below the economic level/cost of production. Losses, if any, incurred by the procuring agencies are shared by the Central Government and the concerned State Government on 50:50 basis (75:25
Contdâ€¦2/-

in case of North-Eastern States). During 2016-17, procurement under MIS has approved for Andhra Pradesh and Tamil Nadu for Oil Palm, Mizoram for Grapes, Karnataka for onion and arecanut, Telangana for onion and Arunachal Pradesh for ginger.
Government has also taken several steps to ensure MSP for agricultural produce which, inter alia, includes setting up of procurement centers keeping in view the potential in the areas; creating awareness among the farmers of the MSP operations; making payment through arthias/co-operative societies to the farmers; encouraging decentralized procurement; adopting e-procurement system; engaging private players in certain States to participate in procurement operations etc.
In order to facilitate better price realization and ensure remunerative prices to farmers the Government has also launched a scheme to develop a pan India electronic trading platform under 'National Agriculture Market' (NAM) aiming to integrate 585 regulated markets with the common e-market platform. Each State is being encouraged to undertake three major reforms - allow electronic trading, have a single license valid throughout the State and a single entry point market fee. 277 markets in 10 States have already been brought on the e-NAM platform. Government is also promoting Farmer Producer Organizations (FPOs) to facilitate access to fair & remunerative markets.